



State of North Carolina
Office of the Governor

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**GOV. EASLEY CALLS ON LEGISLATURE TO PASS A BALANCED BUDGET
PROMISES TO VETO CURRENT PLAN**

RALEIGH – At a press conference held this morning, Gov. Mike Easley called on legislators once again to pass a responsible and balanced budget. He promised to veto the current agreement announced last night because it is over \$400 million out of balance.

“In my State of the State address on March 3, I said, *‘We need a budget that has no gimmicks or slight-of-hand. I promise you that the first unbalanced budget or reckless spending bill sent to me will be vetoed the minute it hits my desk.’* My position has not changed,” said Easley. “The current budget plan agreed to by the House and Senate last night is nearly a half billion dollars out of balance. It is irresponsible and a plan that neither I, nor the people of this state, should accept.

“This should not come as a surprise to the General Assembly,” said Easley. “I have clearly stated my position numerous times throughout this budget process, and I have presented them with various options that would result in a balanced budget. Under the North Carolina Constitution, it is my duty to sign only a balanced budget.”

Easley and his staff have been involved in legislative budget negotiations and have presented several options to remedy the current budget proposal and bring it into balance. *(Memos sent yesterday and a chart identifying the current problems and options for solutions are attached.)*

“We have worked hard for the past three years to get our State budget balanced and recognized nationally as fiscally sound,” said Easley. “I am not going to let this legislature put North Carolina back in a ditch.”

Easley has said any budget must have revenue estimates that are realistic. In May, he recommended using 3.0 percent growth in the first year and 4.0 percent in the second year of the budget. The Senate agreed with that position at that time, but the recent compromise proposal is very liberal in raising projections to fund items for which they did not have sufficient money.

Easley has said that the budget cannot rely on doubtful revenue sources. The current proposal uses money that is not there. *(See attached chart for details.)*